2183 AMS GO S2901.2

<u>HB 2183</u> - S COMM AMD

By Committee on Government Operations & Elections

ADOPTED 04/11/2003

1 Strike everything after the enacting clause and insert the 2 following:

3 "Sec. 1. RCW 57.08.050 and 2000 c 138 s 212 are each amended to 4 read as follows:

(1) All work ordered, the estimated cost of which is in excess of ((five)) ten thousand dollars, shall be let by contract and competitive bidding. Before awarding any such contract the board of commissioners shall publish a notice in a newspaper of general circulation where the district is located at least once thirteen days before the last date upon which bids will be received, inviting sealed proposals for such work, plans and specifications which must at the time of publication of such notice be on file in the office of the board of commissioners subject to the public inspection. The notice shall state generally the work to be done and shall call for proposals for doing the same to be sealed and filed with the board of commissioners on or before the day and hour named therein.

Each bid shall be accompanied by a certified or cashier's check or postal money order payable to the order of the county treasurer for a sum not less than five percent of the amount of the bid, or accompanied by a bid bond in an amount not less than five percent of the bid with a corporate surety licensed to do business in the state, conditioned that the bidder will pay the district as liquidated damages the amount specified in the bond, unless the bidder enters into a contract in accordance with the bidder's bid, and no bid shall be considered unless accompanied by such check, cash or bid bond. At the time and place named such bids shall be publicly opened and read and the board of commissioners shall proceed to canvass the bids and may let such contract to the lowest responsible bidder upon plans and specifications on file or to the best bidder submitting the bidder's own plans and specifications. The board of commissioners may reject all bids for

good cause and readvertise and in such case all checks, cash or bid 1 2 bonds shall be returned to the bidders. If the contract is let, then all checks, cash, or bid bonds shall be returned to the bidders, except 3 that of the successful bidder, which shall be retained until a contract 4 shall be entered into for doing the work, and a bond to perform such 5 work furnished with sureties satisfactory to the board of commissioners 6 7 in the full amount of the contract price between the bidder and the commission in accordance with the bid. If the bidder fails to enter 8 into the contract in accordance with the bid and furnish the bond 9 within ten days from the date at which the bidder is notified that the 10 bidder is the successful bidder, the check, cash, or bid bonds and the 11 12 amount thereof shall be forfeited to the district. If the bidder fails 13 to enter into a contract in accordance with the bidder's bid, and the board of commissioners deems it necessary to take legal action to 14 collect on any bid bond required by this section, then the district 15 shall be entitled to collect from the bidder any legal expenses, 16 17 including reasonable attorneys' fees occasioned thereby. A low bidder who claims error and fails to enter into a contract is prohibited from 18 19 bidding on the same project if a second or subsequent call for bids is 20 made for the project.

(2) As an alternative to requirements under subsection (1) of this section, a water-sewer district may let contracts using the small works roster process under RCW 39.04.155.

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- (3) Any purchase of materials, supplies, or equipment, with an estimated cost in excess of ten thousand dollars, shall be by contract. Any purchase of materials, supplies, or equipment, with an estimated cost of less than fifty thousand dollars shall be made using the process provided in RCW 39.04.190. Any purchase of materials, supplies, or equipment with an estimated cost of fifty thousand dollars or more shall be made by competitive bidding following the procedure for letting contracts for projects under subsection (1) of this section.
- 33 (4) The board may waive the competitive bidding requirements of 34 this section pursuant to RCW 39.04.280 if an exemption contained within 35 that section applies to the purchase or public work."

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In line 1 of the title, after "projects;" strike the remainder of the title and insert "and amending RCW 57.08.050."

 $\underline{\text{EFFECT:}}$ Changes monetary threshold for competitive bidding to \$10,000.

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